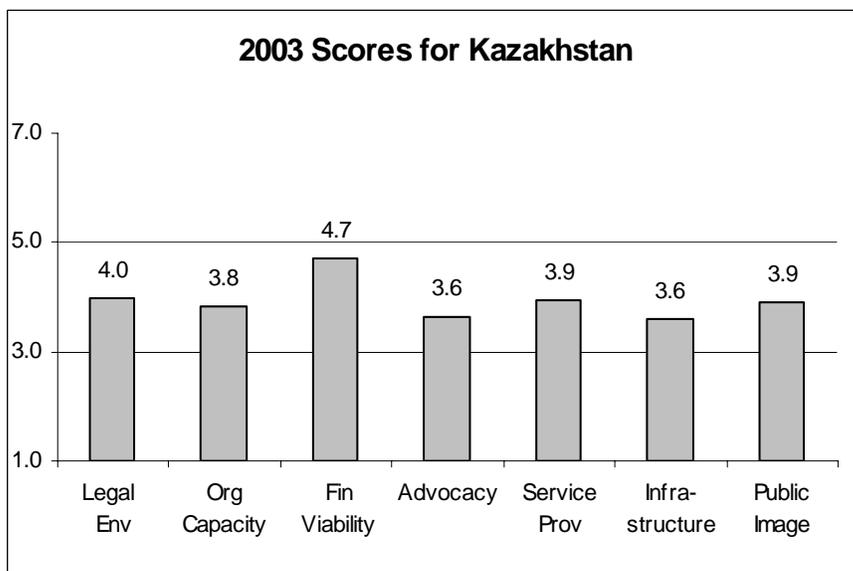


KAZAKHSTAN



Capital: Astana

Polity:
Presidential
(dominant party)

Population:
14,800,000

**GDP per capita
(PPP):** \$5,871

NGO SUSTAINABILITY: 3.9

According to official statistics, about 4,000

NGO SUSTAINABILITY	
2003	3.9
2002	4.1
2001	4.3
2000	4.7
1999	4.8
1998	4.4

NGOs are registered in Kazakhstan, involving about 35,000 permanent employees; 50,000 temporary employees; and over 40,000 volunteers. However, only 1,000

NGOs are considered active. The vast majority of NGOs are temporary, dormant, or quasi-governmental. The latest trend is the creation of quasi-NGOs working in the same sectors as and in opposition to politically active and independent NGOs, especially those involved in youth and election advocacy.

The NGO sector matured in several aspects, especially advocacy. Beginning in

fall 2003, the Government pushed two major laws affecting NGOs – a new NGO law and a Law on Social Contracts. The Law on NGOs contained several negative provisions, e.g., a prohibition for NGOs to be involved in political matters, dividing NGOs into “socially useful and non-useful”, a requirement to publish all information about activities of NGOs, discriminatory treatment of international and foreign NGOs, and possible limitations on trade unions activities. The USAID-funded network of NGO resource centers, the Youth Information Service of Kazakhstan, and the Confederation of NGOs of Kazakhstan mobilized a coalition of over 200 NGOs to promote greater participation of NGOs and independent experts in drafting the new NGO law. The campaign included meetings with local and national level government officials, press conferences, formal appeals and petitions, a web site, and con-

ferences. As a result, the draft law was publicly criticized by the President and overturned. Other successful advocacy campaigns included lobbying against a draft law on importation of nuclear wastes, and a law on religion.

The Government continues to push the Law on Social Contracts. It is expected that the Government will have tenders with social NGOs to provide a wide range of services. However, some NGOs believed that this is done not just to develop social partnerships between the government and the third sector, but to ensure more control over NGOs, specifically advocacy-oriented NGOs. There were cases when local governments “encouraged” NGOs to stop working with international donors. At the Civic Forum, organized by the Government with the participation of President Nazarbayev in October 2003, the Government announced its objective to reduce the amount of international grants to NGOs.

NGOs continue to be strongly dependent on international donors. The business community does not have enough incentives to be engaged in philanthropy. There are cases, however, when local government works in cooperation with the business sector and NGOs on developing and maintaining grant funds for indigenous groups. Some big foreign companies are ready to donate funds, should there be more incentives. Kazakh NGOs are becoming more mature, focusing more on issues affecting their activities, as well as social issues in the country. The advocacy effort against the draft NGO Law has proved that NGOs can influence the decision-making processes in the country if they consolidate.

LEGAL ENVIRONMENT: 4.0

The Government’s attempt to adopt a new NGO law, which would have introduced several negative provisions that might

LEGAL ENVIRONMENT	
2003	4.0
2002	4.2
2001	4.5
2000	4.5
1999	5.0
1998	4.9

have affected the overall civil society situation, failed due to a tremendous advocacy campaign launched by a coalition of 200 local organizations supported by international organizations.

NGOs continue to operate based on the existing laws that sometimes contain discrepancies used by the government to influence NGOs’ work. There is no legislation allowing the government to shut down

NGOs; however the government usually targets NGO leaders and not NGOs as entities. According to the existing regulations, an NGO leader may be put in jail for illegal NGO activities (as opposed to administrative penalties, as it was before). This especially happens when NGOs are involved in politically-related activities (e.g., *the Network of Independent Monitors*). Many NGOs may be referred to as “politically active”, as the number of advocacy campaigns is on the rise.

Tax coding was introduced which aimed to simplify taxation of NGOs. However this does not work efficiently, and in reality some tax privileges are not afforded to NGOs. Whereas NGOs are exempted

from VAT and income tax, some NGOs were forced to pay taxes. If NGOs are involved in income-generating activity, then they are subject to all taxes. Availability of skillful NGO lawyers is sporadic. USAID is establishing a cadre of local lawyers

placed in Civil Society Support Centers to provide legal assistance to indigenous organizations. Most NGOs do not possess legal skills and information, and face difficulties in dealing with the government and tax police.

ORGANIZATIONAL CAPACITY: 3.8

Some NGOs have strong organizational capacities, and many of them have clearly-defined missions. However, many young organizations lack resources. Volunteerism is often used, especially for one-time actions. A culture of volunteerism, however, has still not been developed apart

ORGANIZATIONAL CAPACITY	
2003	3.8
2002	4.0
2001	4.2
2000	5.0
1999	4.5
1998	4.0

from involvement in mass actions. Many NGOs have paid personnel, but they usually lack funds to implement projects.

Boards of Directors continue to be undeveloped. There is no clear understanding among NGOs why they are needed. Some organizations have reached the point when they realize the necessity to differentiate functions

among different management structures. Usually, this applies to accredited members of international organizations where pressure comes from the international headquarters (e.g., *Special Olympics*). Some organizations use other management structures, like Boards of Trustees and others. However most NGOs are built around personalities rather than issues. Technical advancement is still weak, despite improving economic situation in the country, especially in the regions. Many NGOs possess outdated equipment received as grants from international donors. However, in big cities, like Almaty, many NGOs have an access to Internet and other information resources.

FINANCIAL VIABILITY: 4.7

FINANCIAL VIABILITY	
2003	4.7
2002	4.8
2001	5.0
2000	5.5
1999	5.5
1998	4.4

NGOs continue to be strongly dependent on international donors. There are still no legal mechanisms and incentives for the business community and govern-

ment to fund NGOs. The Government has been pushing the Law on Social Contracts, which may be adopted soon. Then NGOs will be able to participate in competition for state grants. In addition, pilot grant making has already taken place, and several organizations already received funding from the government. Nevertheless, it is hard to expect that political and

advocacy-oriented NGOs will ever be able to receive such grants, so the state fund is only limited to service providers and certain themes.

Several large companies are involved in grant making (e.g., Mobil, Phillip Morris, Coca-Cola, etc.). Local business is not very involved in philanthropy. This is partially explained by a lack of significant incentives for local business and partially by a fear of becoming involved in politically sensitive matters dealing with NGOs. It is also hard to expect that advocacy and

human rights groups may receive significant financial support from businesses.

Despite this, there are several examples of well-established social partnerships. The Kustanai Civil Society Support Center managed to develop a fund with the government and the business community to redistribute funds to indigenous organizations. This initiative was well supported by all sectors. Some organizations collect membership fees but they are not enough to make them fully sustainable.

ADVOCACY: 3.6

Advocacy skills of most NGOs increased as a result of several successful major nation-wide advocacy campaigns, including a campaign against importation of nuclear wastes to Kazakhstan (a coalition of Environmental NGOs together with the Ak Zhol

ADVOCACY	
2003	3.6
2002	4.0
2001	4.3
2000	4.5
1999	4.5
1998	4.5

Party), a campaign against a new NGO Law (the Platform – a coalition of 200 NGOs), as well as advocating for a more democratic election law (the Network of Independent Monitors), for better living conditions for students and an end to corruption in the university system (Youth Information Service of Kazakhstan), and others. Advocacy campaigns became wider and included more participation from NGOs than before. Ad-

vocacy is usually implemented against something and not in favor of something.

Advocacy is better developed at the national level and in major cities than in the regions. Despite this, some advocacy attempts were also successful in the regions, e.g., a campaign against logging in Eastern Kazakhstan. Usually NGOs lack professional advocacy leaders, as well as skills and knowledge of lobbying. This sometimes creates a negative attitude by the government towards NGOs, who are not taken seriously. Relationship with the local governments usually depends on the personalities of the governors and may vary from very negative to very cooperative. In light of the upcoming Parliamentary elections in 2004, some political parties began seeking cooperation and support from the strongest NGOs, and some NGOs may politicize their activities.

SERVICE PROVISION: 3.9

Kazakhstan NGOs provide quite a wide range of services, mostly in the social sphere, like health, education, rights pro-

tection of different targeted groups, environmental protection, housing, etc. However, NGOs can rarely reimburse their ex-

2003 NGO Sustainability Index

SERVICE PROVISION

2003	3.9
2002	4.0
2001	4.0
2000	4.7
1999	4.5

penses – most of the targeted groups come from the most vulnerable social strata unable to pay fees for the services that they receive. NGOs began providing market research, which helps

them address the actual needs of their constituents.

The country's tax code allows for socially-oriented NGOs to engage in revenue generation, provided that all profits are reinvested into the organization's core mission. In this case, it provides for good tax incentives. However because of the complexity of applying the law in practice, frequent interference of the tax police into NGOs' bookkeeping, and reluctance of

some of them to receive money from business entities, most social NGOs continue to be heavily dependent on international donors. The Government has established the National Grant Fund to provide funding for socially oriented NGOs, and a draft law on Social Contracts will be discussed in the Parliament soon. It is expected that socially oriented NGOs will be able to fully use this new resource. In light of this, pressure from the Government has increased on those NGOs who receive money from international donors, and there were cases when government officials told NGOs to stop working with international donors.

INFRASTRUCTURE: 3.6

INFRASTRUCTURE

2003	3.6
2002	3.9
2001	4.1
2000	4.5
1999	5.0

centers funded by organizations, such as Counterpart International with USAID's funding, Open Society Institute, and UNDP. Some

of them may provide paid services, however it usually does not constitute more than 10 percent of the centers' income. Many of them provide training courses for NGOs. Although trainings are available in the Kazakh language, the quality of materials and professionalism of trainers are usually lower than of those in Russian. Some courses have been adopted for the business communities and there are business representatives who are ready to pay for trainings. Several organizations established a League of Trainers with a cadre of professional trainers capable of providing

trainings on various important topics. There are funds established by NGOs (e.g., a Resource Center in Kustanai), who serve as an intermediary organization to re-distribute grants to local organizations. However, such examples are still very uncommon.

This year has seen several examples of successful coalition building in Kazakhstan. A coalition called "the Platform" united over 200 NGOs to advocate against a new NGO Law that would have negatively affected the NGO operation, if passed. Another coalition of environmental NGO successfully advocated against the Law on Importation of Nuclear Wastes. The success in creating coalitions becomes more visible as NGOs become more mature and as long as there are issues that unite them. Despite that, it frequently happens that NGOs are uncoordinated and too competitive. In an apparent

effort to increase its control over NGOs, the Government recently organized a Civic Forum, where over 300 representatives of NGOs were invited from all over the coun-

try. However, the government attempted to exclude many advocacy NGOs from participation, and nomination for the Forum was coordinated by the governors' offices.

PUBLIC IMAGE: 3.9

Although public awareness of the role

PUBLIC IMAGE	
2003	3.9
2002	3.9
2001	4.1
2000	4.5
1999	4.5
1998	4.0

NGOs play in civil society improved (according to the 2002 USAID poll, 33.6 percent are aware of NGOs), there is still a very low percentage of citizens who are members of NGOs (2.3 percent) or who

were positively affected by NGOs (2.7 percent). However, NGO public image in general is on the rise. Advocacy campaigns, like a campaign against nuclear wastes, improved the image of and made NGOs a serious force in affecting the decision-making process.

Although most NGOs lack money for self-advertisement, NGOs' involvement in advocacy made mass media pay more attention to the third sector. There are TV programs and newspaper articles about NGOs and civil society. However, mass media is not always professional in conveying information about NGOs. The ongoing work of grass-roots organizations and community-based organizations serves to steadily increase the visibility of these groups in their local communities and among their constituents. Most NGOs do not have ethical norms developed unless they are members of international organizations (e.g., the League of Consumer Rights Protection).